Membership Site Q & A: Your Questions Answered

You're listening to the Tiny Course Empire Podcast with Cindy Bidar. This is episode number 12, and today we're digging into the membership site model. They're super appealing for a lot of reasons, so I'm never surprised when someone tells me they want to start a membership.

If that's you, you're going to want to stick around, because in today's episode, I'm answering all your questions about this popular online business model.

Hey guys, and welcome back to episode 12 of The Tiny Course Empire Podcast. You'll find show notes, resources mentioned in this episode, and I've got a downloadable resource for you at TinyCourseEmpire.com/12.

Be sure to pick that up if you're thinking of starting a membership, because it's going to help you figure out if you're ready to commit to a membership site or not.

Again, that's at TinyCourseEmpire.com/12.

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Before I get to your questions about running a membership site, I want to tell you a little story of how my membership, Six-Figure Systems, came to be.

In September of 2018 I was about 10 months into a new business model.

The previous January, I'd started releasing my virtual assistant clients with the goal of creating a course-based business and lots more time freedom instead.

And I was creating small courses, so I was on my way. The problem was, I wasn't consistent about it AT ALL.

I'd create a new course or product, promote it, make some sales, and then not do anything with that or start on anything else for several weeks or months.

I'm sure you can imagine what our income looked like with that kind of inconsistent schedule.

On a month I created a new product, our income would be good, but then I might go two or three months with nothing new, and it would drop.

So I started to think about creating a membership.

I wanted that consistent, recurring revenue coming in every month, and I had lots of ideas for things I'd like to teach my community about online marketing.

I also knew myself pretty well, and I knew if I had members waiting for content, I would always get it out there. When I'm left to my own schedule though, I'm a master procrastinator.

So I knew that a membership site would really work to my advantage as I grew the business.

Looking back, I probably didn't put enough thought or planning into creating the membership. In other words, I didn't ask enough questions.

I'm kinda glad that's the case though. I think a lot of times we overthink things, and let opportunities pass us by as a result.

Sometimes the right thing to do is to just jump in with both feet and figure it out along the way.

But that's not to say that running a membership site has been all sunshine and roses for me.

By the following September--so that would be 2019--enrollment in Six-Figure Systems was dropping. At its lowest, we had just 170 members, and it seemed like every month we'd lose more and more, and I honestly started to wonder whether or not it was worth it to keep the membership going.

I seriously considered closing the doors, but in the end, decided to just dig in and make it work instead, and I'm so glad I did.

We started by completely revamping the members area. We changed how the course access works, and systemized everything to make it easier to manage, and to ultimately make the entire site more enjoyable and easier for members as well.

That was a big turning point, and after that, the numbers started to go back up again.

At the time of this recording, we have just over 450 members, and that number goes up every month. We have rock solid production plans in place, I know exactly what I'm going to create and release from month to month, and I know exactly how I'm going to promote it, and I'm reasonably certain what we can expect in terms of month-to-month and even year-to-year income.

Pretty sweet deal, right?

But is it the right path for you to take? Let's get your questions answered, because I think by the end you're going to have a much clearer idea of whether or not you're ready to build a membership site.

So let's go ahead and dive in.

Question #1: What's the difference between a course and a membership site, and why would I choose one over the other?

The first question most people have is what's the difference between a membership and a course, and why they might want to choose one over the other.

Here's how I define them:

Online courses teach one thing—maybe it's how to knit a sweater or how to pass the bar exam or how to start an email list, but it's just that one thing. There can be 64 videos or 3 audio lessons or two ebooks and a handful of checklists, it doesn't matter. We'll call it a course if it's teaching one thing for a fixed fee.

Once the fee is paid, the buyer has access to the course and all the materials most likely forever. There are some exceptions to that, but the most common course models grant lifetime access to the training.

A membership on the other hand, offers ongoing access to content of some kind for recurring fee. It might be monthly or quarterly or annually, but there is a regular payment made, and members have access to the materials as long as they keep paying. If they cancel, they lose access.

Now, you can't just take an online course and start charging monthly payments for it and call it a membership. Well, you can, but no one will stick around very long for that kind of a business model. They'll take what they need from the course and they'll cancel.

That's why memberships also typically include regular content updates or some live component, especially if they have a small library that's easily and quickly consumed.

That might be new templates added on a specified schedule, or it might be weekly Q & A calls, or it might be updates to the existing content, or it might be a new course or workshop that gets created on a weekly or monthly or quarterly schedule. Of course it can be any combination of those things as well.

Just as with most things in business, there's a lot of room for you to bring your own personality and ideas into a membership site, so you can make it anything you want, and it definitely does NOT have to be all business related content. We'll come back

to that in a minute.

Courses and membership sites are managed differently, too.

A single course can have a very simple setup--maybe even just a WordPress page with a password that you send to buyers in an email. I've seen that used by several course sellers. It's easy to set up and manage, and doesn't cost a lot to implement.

Membership sites take a bit more infrastructure work though.

They have to have some way of protecting content from unauthorized use, and it has to be more sophisticated than just a password protected page, because you have to have some way to remove access if a member cancels.

That means your shopping cart has to somehow coordinate with your member site to let current members in, and keep canceled members out.

Now I will say that in the last few years this has gotten much easier than it once was, so if your biggest concern or question is whether or not you can manage the tech, let's put that to rest right now.

You absolutely can handle the tech.

There are several hosted membership platforms that make all of this super easy to set up and manage. I'm talking about platforms like Teachable or Podia or MemberVault or Kajabi.

They come in all different styles and price points, so there really is a solution that will fit your needs and your level of tech comfort.

Question #2: Are all online membership sites about business?

Now let's get back to that question about topics, because it's a big one.

I get people who ask me quite often if there are membership sites that don't focus on teaching business or entrepreneurial skills, and the answer is a big yes!

A lot of people have this impression that all membership sites are about business, and I think I know why.

When I was a still working as a virtual assistant, I worked for business coaches, and my day was consumed with business coaching content. I was monitoring Facebook ads and scheduling YouTube videos and I was subscribed to several different mailing lists all about coaching.

As you can imagine, my Facebook feed and all the other ads I saw online were all

about coaching. Judging only by what you would see on my computer, you could have been forgiven for thinking everyone in the world was a business coach.

But what if I'd been working for, say, a professional calligrapher? If all my online searches were about pens and ink and the best paper, and if I was hanging out in Facebook groups about it, and I was following Instagram accounts dedicated to handwriting, my online travels would have looked very, very different.

You might have even thought everyone had a collection of fountain pens and bottles of ink lying around, whereas before you thought everyone in the world was a business coach.

So don't make the mistake of thinking there's no room for your membership site just because it's not business focused.

I've seen membership sites that provide drum or guitar lessons, weekly art sessions, open office hours with a life coach, or even lesson plans for Sunday school teachers, so there are definitely membership sites--and successful ones at that--that cover just about any topic you can think of.

Question #3: Is it really easy money?

The next question is about money. You might have heard that membership sites are either easy money, or that they qualify as passive income.

We've all heard we should be creating more passive income, right? Isn't that the dream of online business owners everywhere? To make money while we're laying on a beach somewhere soaking up the sun and sipping on a margarita?

Well, let's talk about that, because it's kind of true, but not really.

Honestly, there's no such thing as truly passive income. There is active income and less active income, but nothing is 100% passive unless we're talking about the dividends on your investment portfolio.

But putting interest aside, you're going to have to work for the money you earn in business. The question is, how much work are you putting in and for what kind of return?

What people really mean when they say memberships create passive income is that they offer better income stability with less effort. That might not sound as sexy as passive income, but it's a big benefit of having a membership site.

Where most small business owners start each month at $0 in income, the membership site owner already knows he or she can count on that recurring income at a minimum. Will they have to put the work in? Yes. Is it as stressful as starting from scratch every month? Not even close.

But here's the other thing--as a membership site owner, you're leveraging your existing assets in a way that continues to reduce your efforts over time.

That course I created two or three years ago continues to earn money for me every single month because it's a part of my membership. I don't have to do anything else with it. I never have to promote that course again, it just sits there and helps make money.

So in that sense, a membership does have some elements of passive income in it, it's just not as hands off as the term might make it sound.

Ok, ok, ok. So it's not passive. I know you get that. But surely membership sites are easy money, right?

Well, kinda.

I did say at the beginning of this episode that one reason I wanted to start a membership site is for the recurring revenue, and that's true.

I mean, which would you rather have?

A customer community you have to sell to every month, or one that pays you automatically for ongoing access to your content?

The second one, right?

But that doesn't mean that building up that membership community is easy, or that creating the content isn't work, because it is. Let's just get that out there right from the start. I don't want anyone to go into this thinking they're just going to start raking in the big bucks with very little effort.

As with all things in business—either online or off—making money takes time and energy and consistent action. Membership sites thrive on that last one. You must be consistent with your content, your community engagement, and your marketing, or your membership won't be successful.

But with all those dire warnings, in a lot of ways, a membership site is easier money—note I didn't say easy, I said easiER—than some other product forms. After all, people pay you month after month, and that makes it possible for you to put the systems and

processes in place to make the work easier and faster.

AND--when you do it well--those numbers continue to grow month after month.

Believe me, as a business owner, there's nothing quite as reassuring as knowing that you're starting every month with a predictable income stream. It just makes every-thing easier.

It's easier to budget for your bills.

It's easier to hire help if you need to.

It's easier to save for your future.

It's just easier. I think we can all agree on that.

But like I said, it takes a bit of effort to get there. It's not something that happens from day one.

So are memberships easy money? I'd say they're a bit easier, but like all things, the longer you do it, the easier it gets. Which brings me to question number four.

Question #4: How much content do I need before I can start?

Membership site question number four is one you're probably familiar with if you've thought about starting a membership, and that's, "How much content do I need be-fore I can launch?"

If you look at more established memberships like Six-Figure Systems, you'd probably think you have to have an entire library of resources already on hand before you can launch, but that's not true in my experience.

When I launched Six-Figure Systems, I had plans for one small course. Notice I didn't say I HAD a course. I had PLANS for a course. I taught it live to everyone who signed up those first few weeks, and I promised to provide them with new content every month after that.

That one course and a promise of more was enough to convince more than 200 peo-ple to join me in those first few days, so don't think you have to have a dozen courses before you can launch your membership site. One is all you need.

For that matter, I've seen very successful memberships that run on the power of only live calls--so there's no library of content at all, it all happens live.

In fact, something that membership site owners struggle with isn't having too little content, but actually having too much.

Having a lot of resources for your members can be a good thing, but only if they're resources they actually need, and only if they're organized in a way that makes sense and so they can find what they need quickly.

Otherwise, all those extra things are just clutter that's getting in the way of achieving their goals.

If you've put off starting a membership because you questioned whether or not you had enough content to start, I think we can safely say you have enough, whatever that number is.

Ok, moving on...

Question #5: But won't it be hard to keep members?

Another question I hear all the time--and I've heard this from my clients in the past when I recommended they start a membership site--is the question about attrition. In other words, how long will members really stay?

You might have heard that members only stay on average for three months, but that's actually not true.

Now, every membership is going to be different of course, but in my experience, the average member stays in Six-Figure Systems for 11 months, and I have some who have been members from the beginning.

If you talk to other member site owners you'll likely hear similar numbers from them.

And if you think about it, a membership where the average member only stays for three months isn't really sustainable. That would mean that 75% of your members left every single month, which would in turn mean you'd have to do a LOT of marketing just to keep your head above water in that situation.

I think if that were the case, there would be a lot fewer memberships in the world, but they just continue to grow. Think about all the subscription box memberships and meal kit memberships and online memberships and software memberships there are today. It just doesn't make sense that all of these businesses are dealing with three month average member retention.

Question #6: The one you didn't ask

And finally, I want to talk about the question people don't ask, and that's about the day to day operations of managing a membership site. If you could hang out with me in my office for a week, what might you see me doing?

For me--and this is probably true for a lot of membership site owners--my primary job is content creation. I spend the majority of my days either writing content or recording video or audio.

Personally, I spend about two hours per day or about ten hours per week on content creation related specifically to Six-Figure Systems. That includes writing, recording, editing, and formatting new courses. We'll look at some ways you can reduce or even eliminate that in a minute, but honestly, I don't think two hours per day is a lot to ask for the revenue a membership site can produce.

Of course, that revenue depends on me marketing the site, so that's the next thing I spend my time on. This is a big misconception that people seem to have, and that's that if they have a membership it's just going to kind of sell itself. We think that way about lots of things online, whether it's website traffic or YouTube viewers or Facebook group members.

It's the old cliche that says, "If you build it they will come." But they won't. You have to go and find them. That's what marketing is all about, and the more you do it, the more profitable your membership will be.

For my business, I spend another two hours per day on average on marketing, and again, that's about 10 hours per week. That includes writing emails, recording a podcast, building autoresponders, participating in bundles and giveaways, being interviewed, and writing guest blog posts. I also spend time every week connecting with current and potential affiliates. It's our affiliate program that continues to drive sales, so if I want it to continue to thrive, I have to stay in contact and make sure my affiliates have everything they need.

So next to content creation—or maybe even ahead of it—marketing is the thing you'll spend the most time on, too. There are a lot of tasks that fall under the heading of marketing, and it's my second biggest priority after membership content.

That's because the more effort I put into it, the better returns I get. And that's true no matter what business you're in. Consistent action creates consistent results.

I could do more or less marketing, and it would have a direct impact on how many members I have and how much revenue the membership generates, and I love that about this—or really any—online business model.

The results you get are entirely up to you. How cool is that?

The next biggest chunk of my day is spent on community building and customer support--it's not third in terms of importance, but only in terms of how much time I spend

on it. This includes things like answering member questions, troubleshooting access issues, responding to emails, and hosting Q & A calls as well as coaching calls for VIP members.

On average, I spend about six hours per month on community engagement.

I spend very little time on customer support, because someone else manages the help desk, and I only get called in if it's a question or issue they don't know how to answer.

And that brings up a good point, and that's outsourcing.

As I said, I spend a good part of every day creating content and marketing my courses and the membership. I don't outsource much--and I'll say more on that in a minute--but I definitely do not outsource course creation.

But that is by choice.

I believe that I can best serve my members and community by creating the content myself. It's my expertise they come to the site for, so I feel that my most important job as the site owner and the leader of the Six-Figure Systems community is to be completely hands on when it comes to content creation.

Not every membership site owner agrees with me, and here's where we come back to the idea that you get to make your membership exactly what you want it to be.

If you don't want to spend two hours every day creating content, don't do it. You certainly have other options. You can outsource it or even purchase pre-written content as a starting point if that's what you choose.

Years ago my friend Angela had a membership site and a brand new baby. She had very little time for content creation, so instead she used pre-written, quality content, and just edited it to make it her own. Her membership ran smoothly for a year or more with her spending just 30 minutes per day on the maintenance of it.

So I don't want you to think that you have to commit to five or seven or more hours every single day just to run a membership. Yes, you do have to show up. Passive income and easy money are the myth, not the reality. But you also get to design your membership—and your business—to support your lifestyle. Not the other way around.

Lately, I've also been spending time building up a team. I said I don't outsource content development, but there are plenty of other things I do that I shouldn't be doing.

Like podcast editing--I'm not good at it, it takes a long time to do, and other people

are much more skilled at it, so as of the time of this recording, I'm working on handing that off to someone who will do a much better job than me.

Getting new team members onboarded takes a bit of time, so right now I'm spending an hour or so every day on that as well.

So for me, my day looks like two hours spent creating content, another two hours on marketing, and an hour or so onboarding and training new team members.

After that, I spend the rest of my day coaching private clients, learning new things, and doing random other tasks that land on my desk.

Overall, it's not a bad schedule, wouldn't you say?

I mean, clearly I'm not earning passive income over here, but it's a work schedule I'm happy to keep, and I bet you would be, too.

Now I want to hear from you.

Click over to the show notes at TinyCourseEmpire.com/12 and leave me a comment. I'd love to know if you're considering starting a membership site, or if you already have one, and what questions you have about starting or running it.

And while you're there, be sure to pick up the "Are You Ready" cheat sheet and fill that out if you're still on the fence. That will help you get clear on whether or not this is a good time to add a membership site to your business.

Have a terrific day everyone, and I'll talk to you again next week!